



TECHNICAL MEMORANDUM

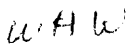
Utah Coal Regulatory Program

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March 30, 2007

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor 
Steve Fluke, Team Lead 

FROM: Wayne H. Western, Environmental Scientist, Engineering and Bonding 

RE: Midterm Permit Review, Mountain Coal Company LLC, Gordon Creek #2, #7,
and #8 Mines, C/007/0016, Task ID #2757

SUMMARY:

On March 5, 2007, the Permittee was notified by the Division that they would be conducting a midterm review of the Gordon Creek #2, #7 and #8 Mines. This memo deals specifically with the engineering and bonding issues.

TECHNICAL MEMO

TECHNICAL ANALYSIS:

RECLAMATION PLAN

GENERAL REQUIREMENTS

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR Sec. 784.13, 784.14, 784.15, 784.16, 784.17, 784.18, 784.19, 784.20, 784.21, 784.22, 784.23, 784.24, 784.25, 784.26; R645-301-231, -301-233, -301-322, -301-323, -301-331, -301-333, -301-341, -301-342, -301-411, -301-412, -301-422, -301-512, -301-513, -301-521, -301-522, -301-525, -301-526, -301-527, -301-528, -301-529, -301-531, -301-533, -301-534, -301-536, -301-537, -301-542, -301-623, -301-624, -301-625, -301-626, -301-631, -301-632, -301-731, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-732, -301-733, -301-746, -301-764, -301-830.

Analysis:

On March 7, 2007, the Division granted the Permittee Phase II bond release on 32.25 acres. The only area that was not granted Phase II bond release was the sediment pond. The Permittee is trying to work with the landowner to have the pond left as a permanent feature.

On September 28, 2006, the Division conducted the Phase II bond release. The findings for the inspection report are in inspection report 1089. The decision document and mini TA for the bond release are in the outgoing folder dated November 12, 2006.

Findings:

The information in the MRP is adequate to meet the requirements of this section.

BACKFILLING AND GRADING

Regulatory Reference: 30 CFR Sec. 785.15, 817.102, 817.107; R645-301-234, -301-537, -301-552, -301-553, -302-230, -302-231, -302-232, -302-233.

Analysis:

General

The Permittee meet the requirements of this section. The Division granted Phase II bond release for the site except for the sediment pond area. During the Phase II bond release inspection on September 28, 2006, the Division noted that the site was stable and that all backfilling on the bond release site was completed.

Findings:

The information in the MRP is adequate to meet the requirements of this section.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

On March 7, 2007, the Division granted the Permittee Phase II bond release on 32.25 acres. The Division allowed the Permittee to reduce the bond amount to \$171,000. During the Phase II bond release, the Division reviewed the reclamation cost estimate, which was in 2007 dollars.

As part of the midterm review, the Division updated the reclamation costs to 2007 costs and escalated the bond to 2012. The Division determined that the reclamation bond must be a minimum of \$138,000 in 2012 dollars to ensure reclamation in the event of bond forfeiture. The current bond is for \$171,000, which is adequate.

The Permittee needs to include the revised reclamation cost estimates into the MRP. The Division needs that information incorporated into the MRP so that the bonding information is readily available to the Permittee and the public.

Findings:

The information in the MRP is not adequate to meet the requirements of this section. Before approving the midterm review, the Permittee must provide the following in accordance with:

R645-301-830.110, The Permittee must include a copy of the Division reclamation cost estimate in the MRP. The Division requires that the Permittee include that information in the MRP so that the Permittee and the public have easy access to the reclamation cost estimate.

RECOMMENDATIONS:

The Division should require the Permittee to provide the above mentioned information before the midterm review is deemed complete.